# CANADIAN HYDROCARBONS LIMITED

## ANNUAL REPORT 1969



## Financial and Operating Highlights

| 1967 | 1968 | 1969 | INCREASE 1968 TO 1969 | |
|---|---|---|---|---|
| | | | | **Financial** |
| $30,480,792 | $36,785,450 | $53,069,049 | 44% | Gross Revenue |
| 3,220,330 | 3,860,336 | 5,165,869 | 34 | Net Earnings |
| 5,857,246 | 7,116,511 | 9,940,883 | 40 | Cash Flow from Operations |
| 579,021 | 657,136 | 635,959 | (3) | Dividends on Preferred Shares |
| 576,673 | 738,812 | 805,711 | 9 | Dividends on Common Shares |
| | | | | *Per Share: |
| .63 | .76 | 1.01 | 34 | Net Earnings |
| 1.26 | 1.52 | 2.07 | 36 | Cash Flow (after preferred dividends) |
| .1375 | .175 | .20 | 14 | Cash Dividends |
| 10,924,001 | 7,092,450 | 18,673,251 | 163 | Working Capital |
| 19,158,703 | 20,960,339 | 30,618,490 | 46 | Funded Debt |
| 42,037,511 | 48,638,057 | 56,874,585 | 17 | Net Investment in Fixed Assets |
| 68,012,720 | 80,442,704 | 101,192,760 | 26 | Total Assets |
| 4,204,260 | 4,241,808 | 4,949,972 | 17 | **Number of Common Shares Outstanding at Year End |
| | | | | **Operating** |
| 102,142,000 | 107,578,000 | 115,646,000 | 7.5 | Gallonage — Propane |
| 834,000 | 14,176,000 | 61,905,000 | 337 | Gallonage — Gasoline and Other Petroleum Products |
| 8,384,447 | 10,525,718 | 12,173,525 | 16 | Natural Gas (mcf) |
| 13,737,895 | 17,080,792 | 20,883,105 | 22 | Electricity (kwh) |

*Based on average shares outstanding during each year, adjusted for two-for-one stock splits in 1967 and 1969.
**Adjusted for stock splits.

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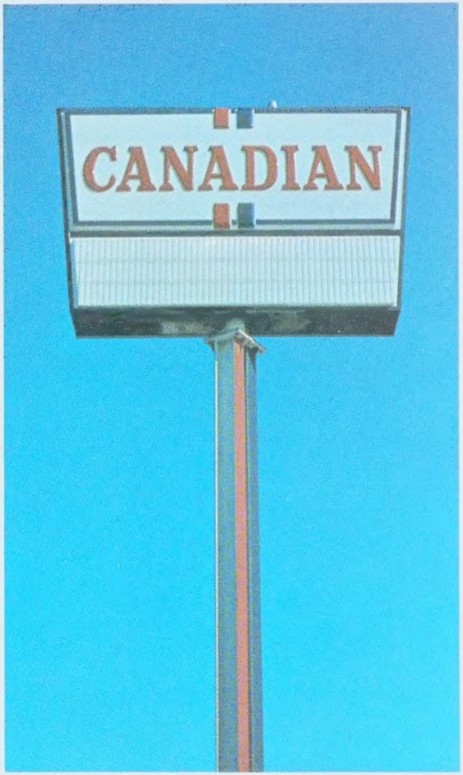


*The new emblem under which Canadian Hydrocarbons markets propane, gasoline and a full line of related products and services.*

## Contents



*COVER PHOTO*

*5,000 barrel per day refinery of Westland Oil Company located at Williston, North Dakota, which produces a full range of petroleum products. The shares of Westland Oil Company were acquired January 5, 1970.*

## Directors

FERNAND E. CHENU
*Brussels, Belgium*
*Executive Officer, Electrorail S.A.*

MARC H. DHAVERNAS
*Montreal, Quebec*
*President, United North American Holdings Limited*

MICHAEL H. FINNELL
*Vice-President*

J. HOWARD KELLY, Q.C.
*Calgary, Alberta*
*Barrister and Solicitor*

DR. FRITZ MORSCHBACH
*Cologne, Germany*
*Chief Executive Officer, Elektrische Licht und Kraftanglagen A.G.*

DR. COURTNAY PITT
*Philadelphia, Pennsylvania*
*Partner in the firm Baker, Weeks & Co.*

RAYMOND A. RICH
*President and Chairman of the Board*

GEORGE C. SOLOMON
*Regina, Saskatchewan*
*President, Western Tractor Ltd.*

J. GRANT SPRATT
*Calgary, Alberta*
*Petroleum Consultant*

MICHAEL J. WALTON
*Vancouver, British Columbia*
*Partner in the firm Gunderson, Stokes, Walton & Co.*

DAVID R. WILLIAMS, JR.
*Tulsa, Oklahoma*
*Chairman of Executive Committee, Williams Brothers Company*

## Officers

RAYMOND A. RICH
*President and Chairman of the Board*

MICHAEL H. FINNELL
*Vice-President*

DENNIS A. ANDERSON
*Vice-President and Treasurer*

JOHN G. MONTGOMERY
*Assistant Treasurer*

WILLIAM A. TROUGHTON
*Secretary*

JOHN L. FARRELL JR.
*Assistant Secretary*

**Head Office**
250 Elveden House, Calgary 2, Alberta

**Transfer Agent and Registrar**
Montreal Trust Company, Calgary, Toronto and Montreal

**United States Transfer Agent**
Morgan Guaranty Trust Company of New York, New York

**United States Registrar**
Manufacturers Hanover Trust Company, New York

**Stock Exchange Listings**

| | |
|---|---|
| Canada | Toronto Stock Exchange |
| | Montreal Stock Exchange |
| | Winnipeg Stock Exchange |
| United States | American Stock Exchange |

**Annual Meeting**
The Annual General Meeting of the Company will be held at the Head Office, at 11:00 a.m. MST, May 21, 1970

## Summary of Principal Corporate Developments Discussed in This Report



**Record revenue and net earnings reported.**

Gross revenue increased 44% to $53,069,049. Net earnings rose 34% to $5,165,869 compared to $3,860,336 in 1968. Net earnings per common share were equivalent to $1.01, an increase of 34% over the $.76 earned the previous year.

**Working capital exceeds $18 million.**

As a result of the Company's common share financing in the United States and a policy of minimizing cash expenditures for acquisitions working capital rose to $18,673,251 from $7,092,450 in 1968.

**Corporate assets pass $100 million mark.**

Total assets of the Company at year-end amounted to $101,-192,760, 26% over last year and more than three times the $29,373,807 level of 1966.

**Important acquisitions made in the United States.**

During the year the Company purchased the assets of Economy Stations Inc. serving Spokane, eastern Washington, and Oregon. In January 1970 the shares of Westland Oil Company were acquired. Westland is a petroleum marketer and refiner operating in North Dakota and Montana. These acquisitions increased the Company's facilities by 57 retail gasoline stations, 33 petroleum bulk plants and 23 propane outlets, together with a 5,000 barrel per day crude oil refinery at Williston, N.D.

**500,000 common shares sold in the United States.**

In November of 1969 the Company sold 500,000 common shares through a syndicate headed by Goldman, Sachs & Co. at $15.50 U.S. per share to yield the Company $14.40 U.S. per share for proceeds of $7,200,000 U.S. ($7,737,750 Canadian).

**Common shares listed on the American Stock Exchange.**

The Company's common shares have been listed and were called for trading on the American Stock Exchange March 12, 1970.

**Common shares split two-for-one.**

Effective July 31, 1969 the common shares of the Company were split two-for-one.

**Total sales gallonage for propane, gasoline and other petroleum products rose 46% to 178 million gallons.**

The current annual rate for propane is 132 million gallons and for gasoline and other petroleum products 115 million gallons for a combined rate of 247 million gallons.

For Canadian Hydrocarbons Limited 1969 was a year of continued growth with new records achieved in all phases of the Company's operations.

Consolidated net earnings rose 34% to $5,165,869 compared to $3,860,336 in 1968. This improvement compares favorably with the 27% average annual compound increase achieved over the past five years. The equivalent net earnings per common share (based on the average number of common shares outstanding in 1969 of 4,500,657 vs. 4,241,808 in 1968) were $1.01, an increase of 34% over the previous year. Cash flow from operations rose $2,824,372 to $9,940,883. Cash flow per common share after preferred dividends was $2.07, a 36% improvement. These results were obtained from gross revenue of $53,069,049 which showed a 44% increase.

The accompanying chart showing sources of revenue demonstrates the change in character of the Company's operations over the past four years. In 1966 propane accounted for 93% of revenue. In 1969 this percentage was 51%. The substantial decline in percentage contribution of propane to total revenue resulted from the Company's acquisition of Great Northern Gas Utilities Ltd. in 1967 and the entrance into the marketing of gasoline and other petroleum products in 1968 through established propane outlets, the construction of new facilities, and the acquisition of several operating companies. This diversification of marketing and distribution operations within the petroleum industry has substantially strengthened consolidated sales revenue, reducing reliance on a limited product line. Concurrently, new avenues for expansion have been created on a vastly broadened geographical base.

Working capital at December 31, 1969 was $18,673,251 compared to $7,092,450 at the end of the previous year. The improved working capital position resulted from the equity financing in the United States and the Company's policy of minimizing cash expenditures by employing to the maximum securities for acquisitions.

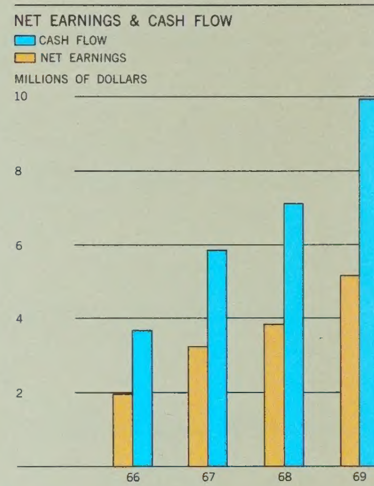
Capital expenditures were $12,940,704 compared with $7,083,246 during 1968. At the end of 1969 corporate assets broke the $100 million mark, attaining a level of $101,192,760, 26% over last year and more than three times the level recorded in 1966 of $29,373,807.

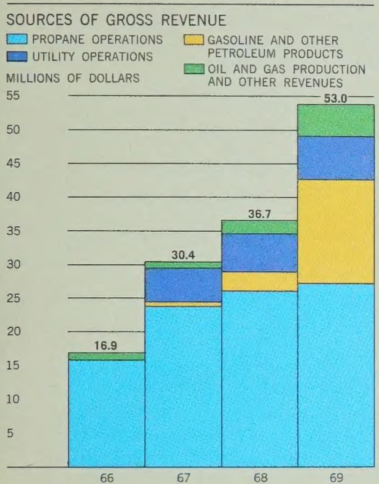
The Company's common share dividend was increased from 17½¢ to 20¢ per annum with the September 1969 dividend.

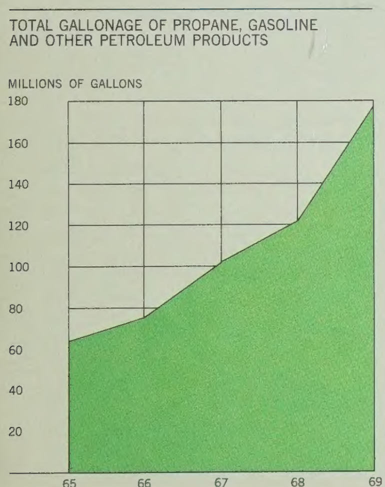
In November of 1969 Hydrocarbons sold 500,000 common shares in the United States through a group of seventy-four underwriters, headed by Goldman, Sachs & Co. The shares were sold at $15.50 U.S. per share to yield the Company $14.40, U.S. for aggregate proceeds of $7,200,000, U.S. ($7,737,750 Canadian). Hydrocarbons' shares were called for trading on the American Stock Exchange March 12, 1970. Registration of the Company with the United States Securities and Exchange Commission provides access to the United States capital market and will permit use of the Company's securities for acquisitions in the United States.

## Propane and Petroleum Product Marketing - Acquisitions

Although propane is the Company's major revenue and profit contributor, significant progress has been made in the marketing of gasoline and other petroleum products. Since entering this field in 1968, gallonage sales have risen dramatically to a current annual rate of 115 million gallons. In accord with the




policy of rapidly expanding distribution of these products, both in Canada and the United States, two important acquisitions have been made.

In April of 1969 the Company acquired the assets of Economy Stations, Inc., which included 19 large-volume service stations located in the city of Spokane, eastern Washington and Oregon. Subsequently 3 new outlets have been opened.

Effective January 5, 1970 the Company purchased the outstanding common shares of Westland Oil Company, an independent petroleum product marketer and refiner operating in North Dakota and Montana. Westland markets a broad line of petroleum products and has extensive facilities for the distribution of tires, batteries and automotive accessories. Westland owns a 5,000 barrel per day refinery located at Williston, North Dakota which produces a full range of gasoline, jet fuel and light and residual oils which are sold through well established company and dealer outlets. This company operates 2 oil blending plants, one in North Dakota and one in Louisiana, which produce its lubricating oil requirements and branded specialty oils for light engines, and also markets a substantial volume of propane which will provide an excellent base for future expansion. Recently Westland entered the liquid fertilizer business, a field with excellent prospects, and presently has 11 bulk distribution plants. It operates through a total of 116 sales outlets consisting of 38 gasoline service stations, 33 petroleum bulk plants, 23 propane bulk plants, 11 liquid fertilizer plants and 11 independent dealers and jobbers. For 1969 Westland had sales of $11,000,000 of which propane and petroleum products accounted for $9,050,000 and merchandise and service the balance of $1,950,000.

Hydrocarbons, including the Westland and Economy acquisitions, currently has a combined annual sales volume rate for propane, gasoline and other petroleum products of 247 million gallons.

**Propane**

Propane gallonage for 1969 reached the all-time high of 116 million gallons, a 7.5% increase over 1968. This record level was achieved entirely from internal sales growth. Supply of product continues to be more than adequate and although there has been some firming in producers' prices better gross margins were realized by the Company in 1969 and it is expected that this situation will continue in 1970.

In addition to constant efforts to maintain satisfactory gross profit margins the Company continues to develop new methods and procedures for reducing operating expenses. An example of this program's success is the modernization of the Company's transportation facilities over the past several years which has permitted maximum utilization of both equipment and personnel. The Hughenden, Alberta underground storage caverns are employed to the greatest possible extent both to take advantage of off-season product purchases at favorable prices and to meet customer peak load requirements at the lowest possible cost. The past year saw continued emphasis on the promotion of propane burning appliances, the major method of building new propane sales. Industrial applications such as lumber drying, mine shaft heating, aggregate plants, gravel drying and oil rig power units are growing and will represent an increasing percentage of propane sales in the future. Propane is presently marketed through 155 outlets in Canada and 32 in the United States.

**Gasoline and Other Petroleum Products**

Gasoline and other petroleum products enjoy a vast and growing market and represent important potential gallonage volumes for


Hydrocarbons. In 1969 sales rose from 14 million to 62 million gallons. Internal growth, coupled with the Westland acquisition in January, has brought the current annual level of gallonage for these products, which are now marketed through 128 outlets in Canada and 71 in the United States, to 115 million gallons. Sales volume of these products should exceed propane in 1970.

#### Refining Operations

Hydrocarbons presently operates two crude oil refineries located at Kamsack, Saskatchewan and Williston, North Dakota with a combined capacity of 6,200 barrels per day (approximately 75 million gallons per year). In contrast to propane operations the development of major sales volume in gasoline and other petroleum products requires a more assured supply of finished products. Consequently the Company's plans call for closely aligning refining capacity with the Company's increasing sales for these products.

### Utilities

Natural gas sales for 1969 amounted to 12,173,525 mcf compared to 10,525,718 mcf in 1968, an increase of 16%.

During the year the Company attached as natural gas customers substantially all new construction in its franchise areas and experienced a better than normal attachment of conversion customers.

In 1969 a utility operation with franchises to serve 5 villages and 5 rural systems was purchased. Also, a franchise was obtained for the new coal mining town of Grande Cache in northwestern Alberta. In January of this year the Company was granted 2 new franchises for systems which will be constructed during 1970. Including these new additions the Company holds franchises and permits to deliver gas to a total of 38 cities and towns, 24 villages and hamlets and 11 farm areas.

In the city of Yellowknife in the Northwest Territories where the Company holds the franchise for the distribution of electricity, sales volume increased 22% from the preceding year to 20,883,105 kwh. This increase was due primarily to the rapid growth of Yellowknife since it was established as the seat of government for the Northwest Territories in 1967. This growth should continue, especially as a result of heightened petroleum and mining activity in the Northwest Territories.

### Canadian Homestead Oils Limited

Under the terms of the agreement with Canadian Homestead Oils Limited dated July 26, 1968, a total of $1,717,132 has been spent through December 1969 on exploration of Homestead's properties for which Hydrocarbons has received 312,206 Homestead common shares. Hydrocarbons is obliged to spend an additional $7,284,000 by the end of December 1974 to receive a further 1,324,363 Homestead shares at $5.50, and has an option to acquire an additional 1,381,838 shares, at $6.67, through 1977. Upon completion of this arrangement the shares acquired thereunder, combined with those held by Castle Oil & Gas Limited (a Hydrocarbons subsidiary) will give Hydrocarbons control of 51% of Homestead's then outstanding shares. Hydrocarbons currently holds 907,106 shares of Homestead representing 21% of the presently outstanding shares.

Homestead's current annual rate of gross revenue and cash flow approximate $2,500,000 and $1,300,000, respectively. Production of crude oil and condensate is running in excess of 2,000 net barrels per day while sales of natural gas production approximate 6,500

mcf per day. Acreage holdings currently stand at 19,000,000 gross acres, equivalent to 8,000,000 net acres. Annual exploration and development expenditures are approaching the $4,500,000 level. The funds for increased budgets are being provided by Hydrocarbons as well as by United States investors through a joint exploration program with Homestead. The expansion of Homestead's exploration and development budgets has required the addition of technical personnel which has strengthened the exploration organization.

Substantial acreage is held by Homestead in Canada's frontier areas such as the Arctic Islands, Beaufort Sea, Northwest Territories, Hudson Bay and offshore Eastern Canada. The results of recent exploration in these areas have been encouraging and activity is at an all-time high.

While there has been appreciation in the market value of Homestead shares since undertaking of the agreement in 1968, the real benefit of this arrangement to Hydrocarbons should accrue through the development of reserves that can complement the Company's expanding petroleum marketing operations.

### Oil and Gas Production and Exploration

Oil and gas production revenue including sub-leases for the year amounted to $2,231,063, an increase of $1,189,218 over 1968. Expenditures for exploration, development and reserve acquisitions aggregated $6,314,167, not including expenditures by Hydrocarbons through Homestead. Hydrocarbons' consolidated subsidiaries hold working and royalty interests in approximately 1,500,000 gross acres (300,000 net acres) of non-producing oil and gas properties in Alberta, British Columbia, the Northwest Territories, the Arctic Islands and on the Grand Banks off Newfoundland.

In the Berland River area of northwestern Alberta, where the Company in 1968 participated in a well that discovered gas in two zones of the Devonian system, a second well was abandoned in 1970. A third well is now drilling on an adjoining Crown Drilling Reservation. Hydrocarbons has interests varying from 6% to 18% in 27,000 acres in the immediate area.

### Mining Activities

The Company's holdings in the Uravan Mineral District of southwestern Colorado and the Lisbon Valley area of Utah, aggregating 32,000 gross acres, were further explored by bore-hole drilling during the past year. On the Colorado claims approximately 25,000 tons of high-grade uranium-vanadium ore ($40 per ton) have been developed. Ore bodies of the type encountered in this area occur in clusters, giving encouragement for the development of substantial additional reserves. The Company's consultant estimates that the reserves now developed represent less than 10% of the probable reserves underlying the Colorado claims. Hydrocarbons has a 40% interest in the holdings in both states.

In the Wollaston Lake area of northern Saskatchewan exploration of the Company's two mineral exploration permits, including aerial radio-metric and electromagnetic surveys, followed up by field examinations, failed to produce mineral indications of economic significance. However, the Company's activities in this area have resulted in the acquisition of a 35% interest in a 192,000 acre permit on which several encouraging radio-metric anomalies have been indicated by aerial surveys. A detailed exploration program for this permit is in preparation and will be conducted during the 1970 field season.

**Common Share Split and Increase In Authorized Share Capital**

On May 14, 1969 the shareholders approved a two-for-one split in the Company's common shares resulting in an authorized common share capital of 14,000,000 shares. This stock split was effective July 31, 1969. At the same meeting approval was given to the creation of an additional 3,700,000 second preferred shares with a par value of $25 each to rank equally with the previously authorized 300,000 second preferred shares. It is the Company's intention to use this class of preferred for acquisition purposes.

* * *

The directors and management wish to acknowledge and express their appreciation for the dedicated efforts and cooperation of the Company's more than 1,000 employees to whom in large measure the record performance of the past year is attributable.

Submitted on behalf of the
Board of Directors:

*President and Chairman of the Board*

April 16, 1970

# Financial Statements

## Auditors' Report

To the Shareholders of
Canadian Hydrocarbons Limited.

We have examined the consolidated balance sheet of Canadian Hydrocarbons Limited and subsidiaries as at December 31, 1969 and the consolidated statements of earnings, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company and subsidiaries as at December 31, 1969 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Clarkson, Gordon & Co.

Chartered Accountants.

Calgary, Alberta
March 17, 1970

# Canadian Hydrocarbons Limited and subsidiaries

## Consolidated Statement of Earnings Years Ended December 31, 1969 and 1968

| | 1969 | 1968 |
|---|---|---|
| **Revenue:** | | |
| Sales | $47,811,268 | $33,189,113 |
| Income from oil and gas sub-leases | 1,877,985 | 732,377 |
| Installation rentals | 1,681,005 | 1,498,650 |
| Interest and other income | 1,698,791 | 1,365,310 |
| | 53,069,049 | 36,785,450 |
| **Expenses:** | | |
| Cost of sales | 27,670,784 | 17,375,971 |
| Operating, selling and administrative expenses | 12,001,483 | 9,381,974 |
| Interest and expense on long term debt | 1,982,882 | 1,285,735 |
| Other interest expense | 318,473 | 366,256 |
| Depreciation | 2,766,022 | 2,489,840 |
| Depletion | 1,837,412 | 766,335 |
| Minority interest in earnings of subsidiaries | | |
| Preferred share dividends | 178,046 | 177,862 |
| Other | 77,221 | 19,511 |
| | 46,832,323 | 31,863,484 |
| Earnings before income taxes | 6,236,726 | 4,921,966 |
| Income taxes (Note 7) | 1,070,857 | 1,061,630 |
| **Net earnings for the year** | $ 5,165,869 | $ 3,860,336 |
| **Net earnings per common share (Note 9)** | $1.01 | $ .76 |

See accompanying notes

## Canadian Hydrocarbons Limited and subsidiaries

## Consolidated Balance Sheet December 31, 1969 and 1968

| Assets | 1969 | 1968 |
|---|---|---|
| **Current:** | | |
| Cash | $ 1,007,716 | $ 1,014,734 |
| Short term deposits | 15,827,025 | 8,108,173 |
| Accounts and notes receivable | 11,748,193 | 9,938,098 |
| Inventories at lower of cost or replacement cost | 4 492 664 | 3,600,543 |
| Prepaid expenses | 289,376 | 242,392 |
| | 33,364,974 | 22,903,940 |
| **Investments at Cost:** | | |
| Shares of Canadian Homestead Oils Limited (Note 2) | 6,413,841 | 5,591,315 |
| Other | 897,435 | 789,700 |
| | 7,311,276 | 6,381,015 |
| **Fixed at Cost (Note 3)** | 76,567,992 | 64,258,116 |
| Less accumulated depreciation and depletion | 19 693 407 | 15,620,059 |
| | 56,874,585 | 48,638,057 |
| **Other:** | | |
| Notes receivable from directors and officers (Notes 2 and 6) | 540,250 | |
| Debt financing expenses less amounts written off | 563,577 | 326,742 |
| Cost of shares of subsidiaries over net book value at dates of purchase | 2 538 098 | 2,192,950 |
| | 3,641,925 | 2,519,692 |
| | $101,192,760 | $ 80,442,704 |

On behalf of the Board:

R. A. Rich, Director

David R. Williams, Jr., Director

See accompanying notes

| Liabilities | 1969 | 1968 |
|---|---|---|
| **Current:** | | |
| Bank loans and bankers' acceptances ($4,885,000 secured) | $ 5,625,000 | $ 7,887,805 |
| Accounts payable and accrued charges | 6,709,366 | 5,528,700 |
| Income taxes payable (Note 7) | 562,014 | 770,264 |
| Current maturities of long term debt (Note 4) | 1,795,343 | 1,624,721 |
| | 14,691,723 | 15,811,490 |
| **Long Term Debt (Note 4)** | 30,618,490 | 20,960,339 |
| **Deferred Income and Deposits** | 1,282,920 | 1,511,953 |
| **Deferred Income Taxes (Note 7)** | 171,580 | |
| **Minority Interest In Subsidiaries (Note 5)** | 5,091,295 | 5,106,005 |
| **Shareholders Equity:** | | |
| Capital (Note 6) | | |
| Authorized — 250,000 first preferred shares of a par value of $20 each | | |
| — 4,000,000 second preferred shares of a par value of $25 each | | |
| — 14,000,000 common shares of no par value | | |
| Outstanding — 232,255 5½% cumulative redeemable first preferred shares Series A (1968 - 222,505 shares) | 4,645,100 | 4,450,100 |
| — 260,000 6% cumulative redeemable second preferred shares Series A | 6,500,000 | 6,500,000 |
| — 4,949,972 common shares (1968 - 4,241,808 shares) | 22,868,410 | 12,168,975 |
| | 34,013,510 | 23,119,075 |
| Retained earnings (Note 8) | 15,323,242 | 13,933,842 |
| | 49,336,752 | 37,052,917 |
| **Commitments and Contingencies (Notes 2 and 11)** | | |
| | $101,192,760 | $ 80,442,704 |

## Canadian Hydrocarbons Limited and subsidiaries

## Consolidated Statement of Retained Earnings Years Ended December 31, 1969 and 1968

| | 1969 | 1968 |
|---|---|---|
| Balance at beginning of year | $13,933,842 | $11,469,454 |
| Add net earnings for the year | 5,165,869 | 3,860,336 |
| Deduct: | 19,099,711 | 15,329,790 |
| Cash dividends | | |
| First preferred shares | 245,959 | 184,062 |
| Second preferred shares | | |
| Fixed | 390,000 | 390,000 |
| Participating (Note 6) | | 83,074 |
| Common shares | 805,711 | 738,812 |
| Stock dividend (Note 6) | | |
| Issued to second preferred shareholders | 2,176,000 | |
| Expenses of altering capital and issuing shares, less applicable income tax reduction | 158,799 | |
| | 3,776,469 | 1,395,948 |
| Balance at end of year | $15,323,242 | $13,933,842 |

See accompanying notes

# Canadian Hydrocarbons Limited and subsidiaries

## Consolidated Statement of Source and Application of Funds

Years Ended December 31, 1969 and 1968

| | 1969 | 1968 |
|---|---|---|
| **Funds Were Provided From:** | | |
| Operations | | |
| Net earnings for the year | $ 5,165,869 | $ 3,860,336 |
| Add - depreciation and depletion | 4,603,434 | 3,256,175 |
| - deferred income taxes | 171,580 | |
| Cash flow from operations | 9,940,883 | 7,116,511 |
| Shares issued | | |
| Common (excluding stock dividend) | 8,523,435 | 217,233 |
| First preferred Series A | 195,000 | 1,245,000 |
| Disposal of fixed assets | 364,970 | 1,017,661 |
| Additional long term debt | 11,486,120 | 2,227,083 |
| Sale of Canadian Homestead Oils Limited shares | 295,106 | |
| | 30,805,514 | 11,823,488 |
| **Funds Were Applied To:** | | |
| Investment in subsidiaries | * 382,327 | * 5,347,103 |
| Purchase of fixed assets | 12,940,704 | 7,083,246 |
| Dividends on common and preferred shares | 1,441,670 | 1,395,948 |
| Reduction of long term debt | 1,922,945 | 1,180,174 |
| Investment in Canadian Homestead Oils Limited | 1,117,632 | 599,500 |
| Redemption of first preferred shares | | 143,700 |
| Notes receivable from directors and officers | 540,250 | |
| Expenses of debt financing, altering capital and issuing shares | 422,362 | |
| Other | 456,823 | (94,633) |
| | 19,224,713 | 15,655,038 |
| **Increase (Decrease) in Working Capital During the Year** | $11,580,801 | $ (3,831,550) |

| | 1969 | 1968 |
|---|---|---|
| *Comprised principally of the following: | | |
| Investment in Canadian Homestead Oils Limited | $ | $ 4,991,815 |
| Fixed assets | 132,072 | 3,315,469 |
| Long term debt | (94,976) | (754,727) |
| Minority interest | | (2,168,505) |
| Other assets and liabilities - net | 345,231 | (36,949) |
| | $ 382,327 | $ 5,347,103 |

See accompanying notes

# Canadian Hydrocarbons Limited
and subsidiaries
## Notes to Financial Statements
December 31, 1969

### 1. Basis of the financial statements

The consolidated financial statements include the accounts of Canadian Hydrocarbons Limited and all its subsidiaries. When subsidiaries are acquired the purchase price is allocated to assets based on appraisals and any remaining difference is charged or credited to "cost of shares of subsidiaries over net book value at dates of purchase".

The accounts of United States subsidiaries have been converted to Canadian dollars on the following basis: current assets and liabilities, revenues and expenses at the rate of exchange in effect at the year end, fixed and other assets at the rates in effect at the dates of the transactions. The resulting gain or loss on conversion, which is not material, is deferred in the accounts.

Certain of the 1968 accounts have been reclassified to conform with the 1969 classification of accounts.

### 2. Investment in Canadian Homestead Oils Limited

Under the terms of an agreement entered into between Consolidated Hydrocarbons Limited (a wholly-owned subsidiary — formerly Canadian Propane Consolidated Limited) and Canadian Homestead Oils Limited in 1968, Consolidated Hydrocarbons is committed to expend $9,000,000 in the conduct of drilling and exploration operations of Canadian Homestead properties at the rate of approximately $1,500,000 per year to December 31, 1974. As consideration for such expenditures Consolidated Hydrocarbons will receive one common share of Canadian Homestead for each $5.50 so expended. Alternatively, Consolidated Hydrocarbons has the option to purchase shares from Canadian Homestead at a cost of $5.50 per share to the extent committed funds have not been expended. To December 31, 1969, Consolidated Hydrocarbons had expended $1,717,132 under the terms of the agreement, the equivalent of 312,206 shares of Canadian Homestead, of which $1,117,632 (203,206 shares) was expended during 1969. In addition, Consolidated Hydrocarbons has the option to expend a further $9,212,000 on Canadian Homestead properties to December 31, 1977 in exchange for one common share of Canadian Homestead for each $6.67 so expended. Similarly, these shares may be purchased from Canadian Homestead at a cost of $6.67 per share.

In addition, the Company owns 83.5% of the outstanding shares of Castle Oil & Gas Limited, which company's principal asset is an investment of 629,900 common shares of Canadian Homestead.

During 1969, 25,000 shares of Canadian Homestead were sold at market value to an officer of the Company in exchange for a non-interest bearing note in the amount of $256,250 due February 26, 1974 and 10,000 shares were sold to an employee of Canadian Homestead at market value in exchange for a non-interest bearing note in the amount of $120,000 due April 1, 1974. In addition, 6,000 shares of Canadian Homestead were sold on the open market for a cash consideration of $134,007.

Consolidated Hydrocarbons has granted options to employees of Canadian Homestead, dependent upon employment, to acquire 16,500 shares of Canadian Homestead at prices ranging from $16.50 to $20.00 per share, exercisable on various dates to November 19, 1974. An employee

also has an option to acquire a further 4,000 shares of Homestead during the period June 6, 1971 and June 6, 1973, at the market price on the day prior to his accepting the option or $15.00, whichever is greater. A further 12,500 shares are reserved for the granting of future options.

At December 31, 1969, the companies held 907,106 shares of Canadian Homestead, with a quoted market value of $13,000,000, which investment represents 21.4% of the outstanding common shares of Canadian Homestead at that date. The quoted market value on March 16, 1970 amounted to $8,500,000.

### 3. Fixed Assets

| | 1969 | 1968 |
|---|---|---|
| Customers' installations | $19,061,395 | $18,471,014 |
| Transmission lines and distribution systems | 17,487,361 | 15,079,985 |
| Buildings and equipment | 15,090,072 | 13,852,761 |
| Automotive equipment | 6,425,327 | 5,924,961 |
| Oil and gas properties and equipment | 5,720,565 | 5,057,402 |
| Sub-leases on producing oil and gas properties | 10,414,216 | 4,331,005 |
| Land | 2,369,056 | 1,540,988 |
| | 76,567,992 | 64,258,116 |
| Deduct: | | |
| Accumulated depreciation | 16,013,481 | 13,790,372 |
| Accumulated depletion | 3,679,926 | 1,829,687 |
| | 19,693,407 | 15,620,059 |
| | $56,874,585 | $48,638,057 |

Depreciation of fixed assets, other than oil and gas properties and equipment, is provided on a straight line basis at rates varying from 2% to 20% which are designed to amortize the cost of the assets over their estimated useful lives.

Effective January 1, 1969, contributions received from customers in aid of construction of transmission lines and distribution systems are credited to this asset classification. In prior years, such contributions were classified as contributed surplus. The 1968 accounts have been restated for comparative purposes.

All costs related to the acquisition of, exploration for and development of oil and gas properties, whether productive or non-productive, are capitalized and depleted on the composite unit of production method based on total estimated reserves of oil and gas. Sub-leases on producing oil and gas properties are depleted over their terms which range from three to six years.

### 4. Long Term Debt

| | 1969 | 1968 |
|---|---|---|
| 6½% Sinking Fund Debentures, Series A, of Consolidated Hydrocarbons Limited, due 1981 | $ 2,730,000 | $ 2,870,000 |
| 6¼% Sinking Fund Debentures, Series B, of Consolidated Hydrocarbons Limited, due 1982 | 1,640,000 | 1,720,000 |
| 6½% Sinking Fund Debentures, Series C, of Consolidated Hydrocarbons Limited, due 1987 ($3,071,000 U.S.) | 3,299,406 | 3,299,406 |
| 6% Sinking Fund Debentures, Series A, of Great Northern Gas Utilities Ltd., due 1985 | 8,601,000 | 8,713,500 |
| 7¼% Promissory Note of Great Northern Gas Utilities Ltd., due 1989 ($4,000,000 U.S.) | 4,288,750 | |
| 6% Sinking Fund Bonds, Series A, of Vancouver Island Gas Company Ltd., due 1976 | 321,521 | 359,293 |
| 9% to 9¼% Bank Production Loans of Consolidated Hydrocarbons Limited (secured by oil and gas properties), due 1975 | 9,458,037 | 4,730,777 |
| Notes and Mortgages, due on various dates | 2,075,119 | 892,084 |
| | 32,413,833 | 22,585,060 |
| Less current maturities included in current liabilities | 1,795,343 | 1,624,721 |
| | $30,618,490 | $20,960,339 |

On May 14, 1969 the 6½% Series A, 6¼% Series B and 6½% Series C debentures of the Company were exchanged for like debentures of Consolidated Hydrocarbons Limited. Pursuant to the exchange, 30 share purchase warrants of the Company were issued for each $1,000 principal amount of debentures entitling the holder to purchase one common share of the Company for $13.50 per share until December 31, 1973.

Long term debt repayments for the years 1971 to 1974 are as follows: 1971 — $1,376,000; 1972 — $1,389,000; 1973 — $1,259,000; 1974 — $995,000. Sinking fund payments with respect to the 7¼% Promissory Note and the 6½% Sinking Fund Debentures, Series C commence in 1971 and 1973, respectively.

Financing expenses are being amortized over the terms of the issues.

## 5. Minority Interest in Subsidiaries

| | 1969 | 1968 |
|---|---|---|
| Preferred shares of Great Northern Gas Utilities Ltd. | $2,855,000 | $2,937,500 |
| Other companies — | | |
| Capital | 1,034,139 | 1,034,139 |
| Retained earnings | 1,202,156 | 1,134,366 |
| | $5,091,295 | $5,106,005 |

## 6. Capital

During 1969, the Company's authorized capital was increased by the creation of 3,700,000 additional second preferred shares of a par value of $25 each. In addition, the common share capital was altered by splitting each common share, whether issued or unissued, into two common shares so that the authorized common share capital increased from 7,000,000 shares to 14,000,000 shares and the issued common share capital increased accordingly. The number of shares and related prices in respect of information relating to common shares have been restated to give effect to the share split.

During 1969, 9,750 5½% first preferred shares Series A, having an aggregate par value of $195,000, were issed as consideration for the acquisition of a subsidiary company. The participating feature of the 6% cumulative redeemable participating second preferred shares Series A was deleted and replaced by a stock dividend of 128,000 common shares to be paid to the holders thereof and those shares were redesignated as 6% cumulative redeemable second preferred shares Series A.

Under the conditions attached to the outstanding preferred shares, the Company is required to purchase for redemption, in each calendar year, $70,000 par value first preferred shares Series A (cumulative to a maximum of $140,000 in any calendar year) and $97,500 par value second preferred shares Series A (not cumulative), if available on the open market, at a price not exceeding their par value. The Company has satisfied such obligations with respect to the first preferred shares to December 31, 1969 and no second preferred shares were available at a price not exceeding their par value. In addition, the first preferred shares are redeemable at any time at a price not exceeding $21.10 per share and the second preferred shares are redeemable at any time after December 31, 1971 at a price not exceeding $26.50 per share. To December 31, 1969, 17,745 first preferred shares of an aggregate par value of $354,900 have been redeemed (none of which shares were redeemed during 1969). Accordingly, consolidated retained earnings includes $354,900 designated as "capital surplus" under the provisions of the Canada Corporations Act.

During 1969, the Company issued the following shares:

| | Number | Amount |
|---|---|---|
| Pursuant to an underwriting agreement | 500,000 | $ 7,737,750 |
| Stock dividend | 128,000 | 2,176,000 |
| On exercise of share purchase warrants | 25,290 | 341,415 |
| To an officer for a non-interest bearing note due March 18, 1974 | 20,000 | 257,500 |
| On exercise of stock options by — | | |
| Officers for cash | 2,674 | 13,914 |
| Officer for non-interest bearing note due February 11, 1974 | 5,000 | 26,500 |
| Employees for cash | 27,200 | 146,356 |
| | 708,164 | $10,699,435 |

During 1969, options to purchase 38,200 shares were granted to officers and employees and options to purchase 1,350 common shares were cancelled. At December 31, 1969, options were outstanding to officers and employees to purchase 61,528 common shares at prices ranging from $5.125 to $17.875 per share, exercisable on various dates to December 17, 1974 and 15,800 common shares were reserved for the granting of future options.

In addition, share purchase warrants are outstanding at December 31, 1969 entitling the holders thereof to purchase 204,540 common shares of the Company at $13.50 per share until December 31, 1973 (see Note 4).

### 7. Income Taxes

For income tax purposes the companies are entitled to claim capital cost allowances (depreciation) and drilling, exploration and property acquisition costs in amounts which exceed the related charges to earnings. The companies are also entitled to claim drilling and exploration costs incurred under the share acquisition agreement with Canadian Homestead (see Note 2), which shares are carried in the accounts at the amount of the total expenditures. As a result, income taxes in respect of income reported for 1968 and 1969 have been reduced.

The Company follows the practice of tax allocation accounting with respect to depreciation claims, except in the case of subsidiary companies engaged in the operation of public utilities which are required by regulation to record only income taxes payable for the period in determining rates. During 1969, such depreciation claims for tax purposes exceeded depreciation provided in the accounts of non-regulated companies by $343,000 and deferred income taxes of $171,580 were provided thereon. The Company, in common with many other companies in the Canadian oil and gas industry, believes that tax allocation accounting of claims for drilling, exploration and acquisition costs is not appropriate, and accordingly, no provision has been made for deferred taxes on timing differences involving such costs. If the tax allocation basis of accounting had been followed for all timing differences between taxable income and recorded income, the income tax provision would have been increased and net earnings for the year would have been decreased by $1,925,000 $.43 per share ($1,240,000 - $.29 per share in 1968).

The accumulated income tax reductions related to all timing differences in the current and prior years amount to approximately $10,800,000 December 31, 1969. Accumulated expenditures remain to be carried forward and applied against future taxable income as follows:

| | 1969 | 1968 |
|---|---|---|
| Drilling, exploration and property acquisition costs | $ 3,305,000 | $ 866,000 |
| Undepreciated capital cost | 25,595,000 | 22,975,000 |

The Canadian Federal Tax authorities have issued notices of reassessment for the 1964 to 1967 fiscal years of subsidiaries disallowing certain deductions in arriving at taxable income. The reassessments have been contested and the amount of the taxes and interest claimed, approximately $740,000, has not been provided in the accounts.

**8. Dividend Restrictions**

The provisions attaching to certain of the companies' long term debt and the preferred shares contain restrictions as to the declaration and payment of cash dividends on common shares, the most restrictive of which at December 31, 1969 limits the payment of such dividends to an amount which would reduce consolidated retained earnings to $7,500,000.

**9. Earnings Per Share**

Earnings per share are based on the average number of shares outstanding during 1968 and 1969 after giving retroactive effect to the two for one share split and assuming that the stock dividend of 128,000 common shares was issued as of January 1, 1969.

There is no material dilutive effect on earnings per share with respect to options and warrants outstanding at December 31, 1969.

**10. Additional Statutory Information**

The total remuneration paid to the directors and senior officers of the Company during 1969 amounted to $190,595 which includes $142,800 paid to directors in their capacity as directors, officers or employees.

**11. Commitments and Contingent Liabilities**

In addition to the commitments outlined in Note 2, the companies have entered into long term contracts to lease certain fixed assets at annual rentals of approximately $324,000 to 1982.

Reference is made to Note 7 respecting details of pending income tax reassessments involving approximately $740,000 in taxes and interest which has not been provided in the accounts.

**12. Subsequent Event**

On January 5, 1970, Westco, Inc. (a wholly owned subsidiary) acquired substantially all of the issued and outstanding shares of Westland Oil Company in exchange for $776,686 U.S. cash and $5,203,200 U.S. 5% debentures.


Canadian

# Ten Year Review

**SUMMARY OF CONSOLIDATED STATEMENTS OF EARNINGS for the years ended on the dates shown**

(in thousands, except where amounts are given on a per-share basis)

| *adjusted for stock splits in 1967 and 1969* | December 31 1969 | December 31 1968 | December 31 1967* |
|---|---|---|---|
| REVENUE | | | |
| Sales | $47,811 | $33,189 | $28,199 |
| Income from oil and gas sub-leases | 1,878 | 732 | 119 |
| Installation rentals earned | 1,681 | 1,499 | 1,504 |
| Interest and other income | 1,699 | 1,365 | 659 |
| | 53,069 | 36,785 | 30,481 |
| EXPENSES | | | |
| Cost of gas and merchandise sold | 27,671 | 17,376 | 14,068 |
| Operating, selling and administrative expenses | 12,320 | 9,748 | 8,726 |
| Interest and expense on long term debt | 1,983 | 1,286 | 1,063 |
| Depreciation and depletion | 4,603 | 3,256 | 2,637 |
| Minority interest in earnings | 255 | 197 | 180 |
| | 46,832 | 31,863 | 26,674 |
| EARNINGS | | | |
| Earnings before income taxes | 6,237 | 4,922 | 3,807 |
| Income taxes | 1,071 | 1,062 | 587 |
| **Net earnings for the year** | 5,166 | 3,860 | 3,220 |
| Extraordinary items | – | – | 993 |
| Net earnings and extraordinary items | 5,166 | 3,860 | 4,213 |
| Dividends on preferred shares | 636 | 657 | 579 |
| Net earnings applicable to common shares | $ 4,530 | $ 3,203 | $ 3,634 |

*Great Northern Gas Utilities Ltd. acquired January 1, 1967.

**Financial and other information**

| | | | |
|---|---|---|---|
| Working capital | $18,673 | $ 7,092 | $10,910 |
| Long term debt | 30,618 | 20,960 | 19,159 |
| Preferred shares | 11,145 | 10,950 | 9,849 |
| Common shareholders' equity | 38,192 | 26,103 | 23,421 |
| Common shareholders' equity per share | 7.72 | 6.15 | 5.57 |
| Earnings per common share | 1.01 | .76 | .63 |
| Dividends per common share | 20 | .175 | .14 |
| Cash flow from operations | 9,941 | 7,117 | 5,857 |
| Cash flow per share applicable to common shares | 2.07 | 1.52 | 1.26 |
| Purchase of fixed assets (net) | 12,576 | 6,066 | 1,075 |
| Fixed assets including cost of shares of subsidiaries over net book value | 59,413 | 50,831 | 44,218 |
| Propane sales | 19,801 | 18,685 | 17,270 |
| Natural gas sales | 5,868 | 5,100 | 4,407 |
| Oil and gas production sales (including sub-leases) | 2,231 | 1,041 | 421 |
| Merchandise sales | 5,610 | 5,329 | 4,711 |
| Gallonage – total propane, gasoline and other petroleum products | 177,551 | 121,754 | 102,976 |
| Number of common shares outstanding at year-end | 4,950 | 4,242 | 4,204 |

| December 31 1966 | December 31 1965 | March 31 1965 | March 31 1964 | March 31 1963 | March 31 1962 | December 31 1960 |
|---|---|---|---|---|---|---|
| $15,879 | 14,322 | $13,503 | $12,234 | $10,412 | $ 9,472 | $ 7,330 |
| 61 | – | – | – | – | – | – |
| 917 | 751 | 653 | 590 | 508 | 438 | 351 |
| 102 | 164 | 105 | 27 | – | – | – |
| 16,959 | 15,237 | 14,261 | 12,851 | 10,920 | 9,910 | 7,681 |
| 7,900 | 7,019 | 6,554 | 6,285 | 5,319 | 4,903 | 3,680 |
| 4,951 | 4,380 | 4,237 | 3,672 | 3,319 | 3,157 | 2,502 |
| 429 | 434 | 419 | 383 | 281 | 181 | 131 |
| 1,694 | 1,443 | 1,249 | 1,096 | 909 | 729 | 605 |
| – | – | – | – | – | 11 | 40 |
| 14,974 | 13,276 | 12,459 | 11,436 | 9,828 | 8,981 | 6,958 |
| 1,985 | 1,961 | 1,802 | 1,415 | 1,092 | 929 | 723 |
| – | – | – | – | (42) | 57 | 91 |
| 1,985 | 1,961 | 1,802 | 1,415 | 1,134 | 872 | 632 |
| – | – | – | – | – | – | – |
| 1,985 | 1,961 | 1,802 | 1,415 | 1,134 | 872 | 632 |
| 187 | 192 | 81 | – | – | – | – |
| $ 1,798 | $ 1,769 | $ 1,721 | $ 1,415 | $ 1,134 | $ 872 | $ 632 |
| $ 3,056 | $ 3,643 | $ 6,334 | $ 3,357 | $ 3,068 | $ 2,158 | $ 1,425 |
| 6,644 | 6,131 | 6,491 | 5,475 | 5,737 | 3,610 | 2,010 |
| 3,365 | 3,452 | 3,500 | – | – | – | – |
| 14,255 | 12,833 | 11,901 | 10,607 | 9,274 | 8,199 | 6,866 |
| 4.46 | 4.03 | 3.74 | 3.39 | 3.04 | 2.72 | 2.45 |
| 56 | .56 | .54 | .45 | .37 | .29 | .23 |
| 125 | .125 | .11 | .075 | .05 | .05 | .05 |
| 3,680 | 3,338 | 2,989 | 2,365 | 1,876 | 1,577 | 952 |
| 1.09 | .99 | .91 | .75 | .62 | .52 | .34 |
| 4,173 | 4,233 | 3,919 | 1,757 | 2,943 | 2,299 | 613 |
| 20,897 | 18,372 | 15,567 | 12,841 | 12,105 | 10,044 | 8,233 |
| 11,097 | 9,695 | 9,105 | 8,045 | 6,675 | 6,157 | 4,836 |
| – | – | – | – | – | – | – |
| 185 | 117 | 105 | – | – | – | – |
| 3,650 | 3,498 | 3,327 | 3,230 | 2,983 | 2,671 | 2,315 |
| 75,658 | 64,403 | 57,570 | 48,865 | 39,210 | 35,425 | 25,439 |
| 3,194 | 3,186 | 3,182 | 3,133 | 3,048 | 3,016 | 2,800 |

## Principal Subsidiaries and Associated Companies

Consolidated Hydrocarbons Limited
Great Northern Gas Utilities Ltd.
Castle Oil & Gas Limited
Fort St. John Petroleums Ltd.
North American Uranium Corporation
Westland Oil Company
Canadian Homestead Oils Limited

## Officers of Principal Operating Subsidiaries and Associated Companies

### Consolidated Hydrocarbons Limited

Gerald M. Miller, President
Donald C. Ferns, Vice-President, Marketing
Kaj W. Larsen, Vice-President
Jack Klym, Vice-President
Jean-Louis Pinault, Vice-President
Dennis A. Anderson, Vice-President and Treasurer
Raymond H. Hipfner, Vice-President and Controller
William A. Troughton, Secretary
John G. Montgomery, Assistant Secretary

### Great Northern Gas Utilities Ltd.

Anthony C. Rooney, President
Robert C. Wharton, Vice-President, Operations
Ernest W. Straus, Vice-President, Administration and Treasurer
William A. Troughton, Secretary

### Fort St. John Petroleums Ltd.

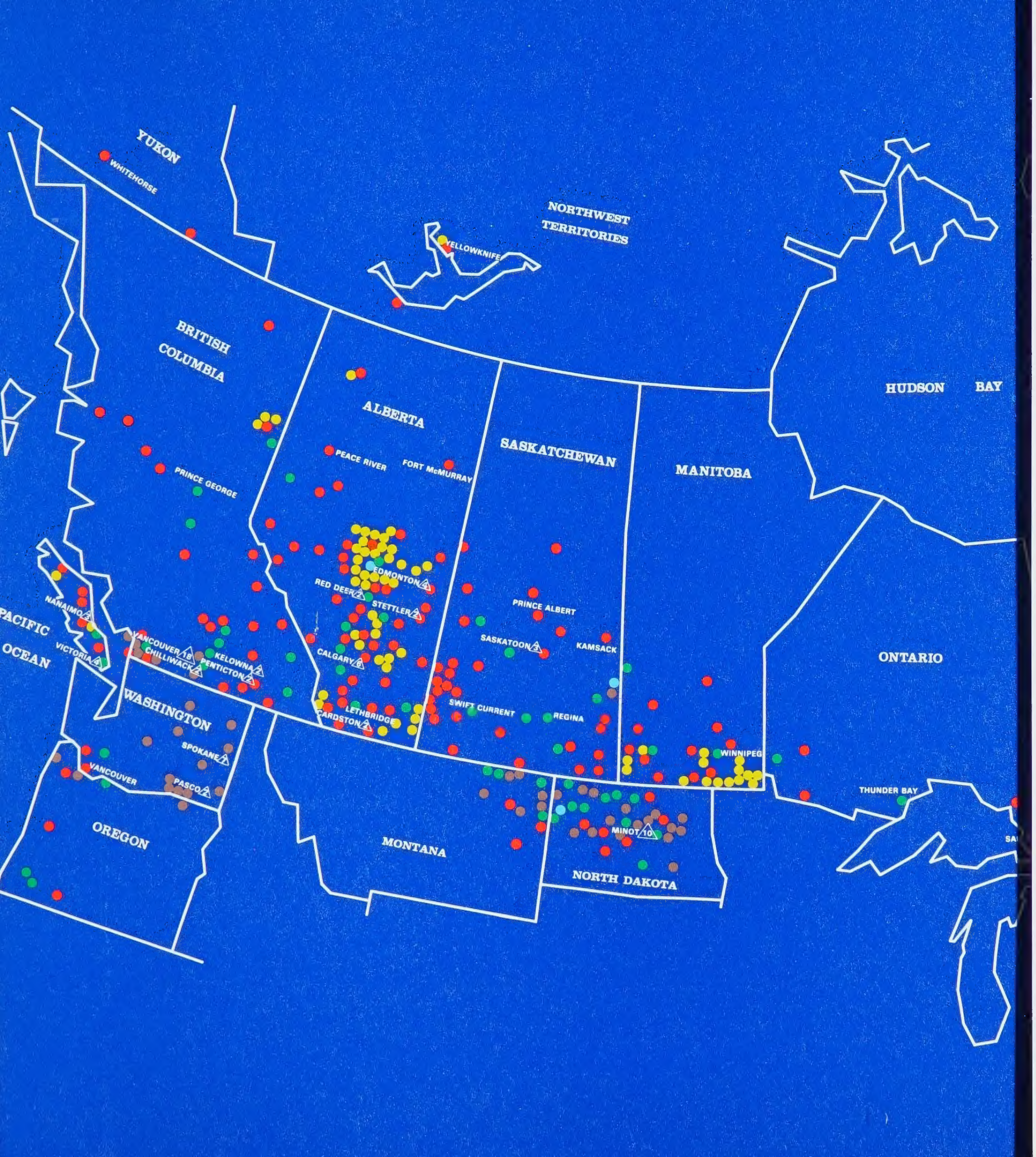
Michael J. Walton, President
Anthony C. Rooney, Vice-President
Gerald M. Miller, Vice-President
Dennis A. Anderson, Treasurer
William A. Troughton, Secretary
John G. Montgomery, Assistant Treasurer and Assistant Secretary

### Westland Oil Company

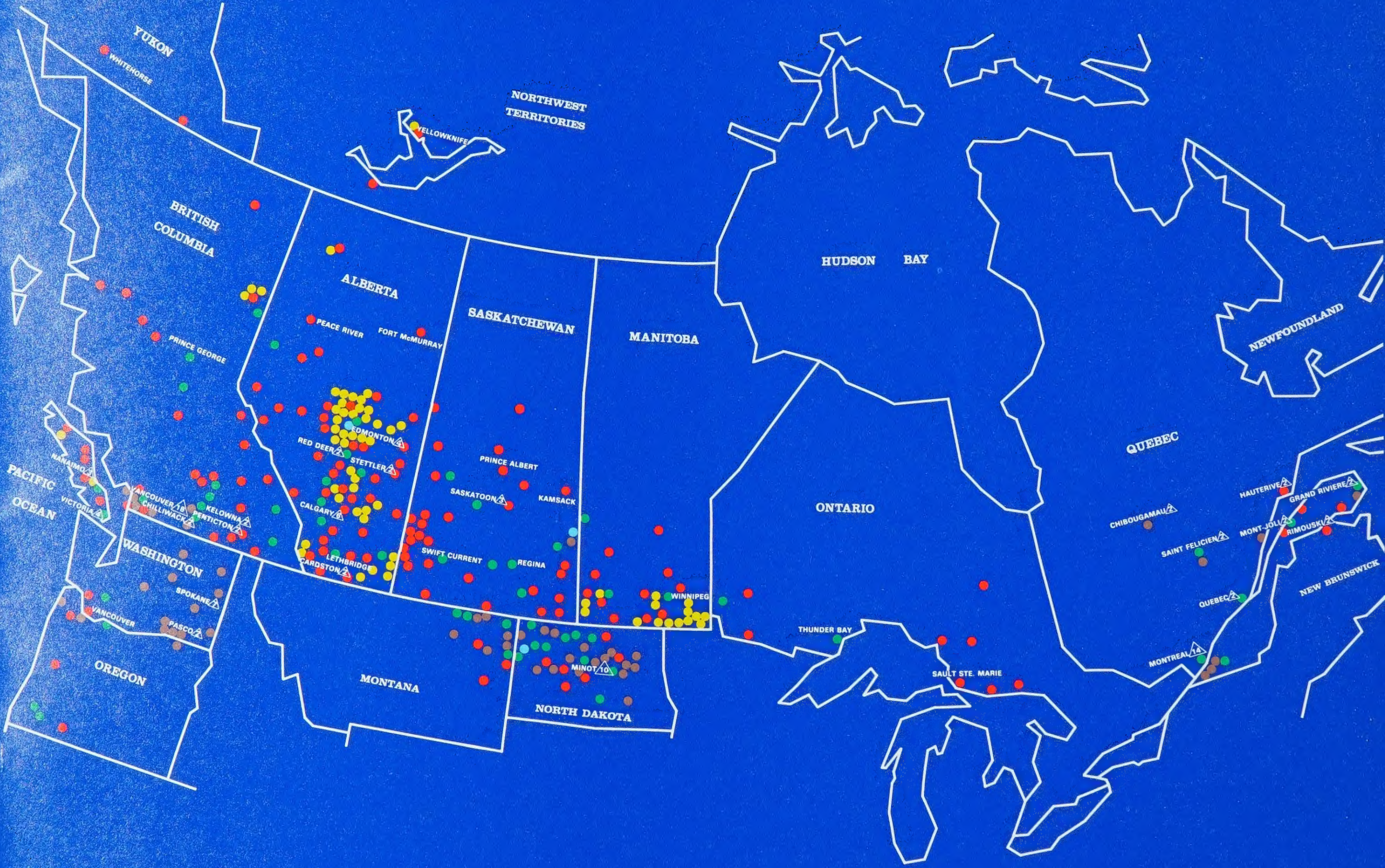
Gerald M. Miller, President
Dennis A. Anderson, Treasurer
Forrest Baker, General Manager
Bernard G. Grudem, Controller
William A. Troughton, Secretary

### Canadian Homestead Oils Limited

Bruce W. Watson, President
A. Gordon Savage, Vice-President, Operations
Duane E. Wikant, Vice-President and Treasurer
John M. Robertson, Q.C., Secretary




*Map showing distribution of the company's petroleum product marketing and utility operations in Canada and the United States.*


YUKON
WHITEHORSE
NORTHWEST TERRITORIES
YELLOWKNIFE
BRITISH COLUMBIA
ALBERTA
SASKATCHEWAN
MANITOBA
HUDSON BAY
NEWFOUNDLAND
QUEBEC
ONTARIO
PEACE RIVER
FORT McMURRAY
PRINCE GEORGE
EDMONTON
RED DEER
STETTLER
PRINCE ALBERT
SASKATOON
KAMSACK
CALGARY
NANAIMO
PACIFIC OCEAN
VICTORIA
VANCOUVER
CHILLIWACK
KELOWNA
PENTICTON
WASHINGTON
SPOKANE
VANCOUVER
PASCO
OREGON
LETHBRIDGE
CARDSTON
SWIFT CURRENT
REGINA
WINNIPEG
MONTANA
MINOT
NORTH DAKOTA
THUNDER BAY
SAULT STE. MARIE
CHIBOUGAMAU
SAINT FELICIEN
HAUTERIVE
GRAND RIVIERE
MONT-JOLI
RIMOUSKI
NEW BRUNSWICK
QUEBEC
MONTREAL

## Major Facilities and Distribution Locations

| | TOTAL |
|---|---|
| PIPED GAS FRANCHISES | 70 |
| RETAIL OUTLETS | |
| — PROPANE | 126 |
| — PETROLEUM PRODUCTS | 66 |
| — FERTILIZER | 2 |
| STORAGE POINTS | 32 |
| CONSIGNEE OPERATED OUTLETS | |
| — PROPANE | 61 |
| — PETROLEUM PRODUCTS | 133 |
| — FERTILIZER | 9 |
| PROCESSING PLANTS AND REFINERIES | 4 |
| RAILWAY TANK CARS | 155 |
| HIGHWAY TRANSPORTS | 35 |
| BULK DELIVERY TRUCKS | |
| — PROPANE | 246 |
| — PETROLEUM PRODUCTS | 61 |
| SERVICE TRUCKS | 337 |
| EMPLOYEES | 1,032 |
| CUSTOMERS (PROPANE AND UTILITIES) | 155,929 |
| MILES OF PIPELINE (TRANSMISSION AND DISTRIBUTION) | 2,240 |
| STORAGE FACILITIES — TOTAL PROPANE FIELD STORAGE GALLONAGE | 48,074,500 |

LEGEND

- GASOLINE, LIGHT OILS, PROPANE
- GASOLINE, LIGHT OILS
- PROPANE
- UTILITIES
- REFINERIES AND PROCESSING PLANTS

CITIES AND TOWNS WITH MORE THAN ONE OUTLET ARE DENOTED BY THEIR NAME FOLLOWED BY THE NUMBER OF SUCH OUTLETS.

I.E. VANCOUVER 18

CANADIAN HYDROCARBONS LIMITED

ANNUAL REPORT 1969

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